

Members

Sen. David Ford, Chairperson
Sen. Richard Bray
Sen. Anita Bowser
Sen. Billie Breaux
Rep. Michael Dvorak
Rep. Vanessa Summers
Rep. Cleo Duncan
Rep. Brent Steele
Karon Perkins
Bruce Pennamp
Cynthia Ayres
Carol Bramham



INDIANA CHILD CUSTODY AND SUPPORT ADVISORY COMMITTEE

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MEETING MINUTES¹

Meeting Date: October 2, 2001
Meeting Time: 10:00 A.M.
Meeting Place: State House, 200 W. Washington
St., 130
Meeting City: Indianapolis, Indiana
Meeting Number: 2

Members Present: Sen. David Ford, Chairperson; Sen. Anita Bowser; Sen. Billie Breaux; Rep. Vanessa Summers; Rep. Cleo Duncan; Karon Perkins; Cynthia Ayres; Carol Bramham.

Members Absent: Sen. Richard Bray; Rep. Michael Dvorak; Rep. Brent Steele; Bruce Pennamp.

Call To Order

Sen. Ford called the meeting to order at 10:15 a.m. Sen. Ford introduced members of the committee present at the meeting, and then introduced James Hmurovich, Director of the Division of Family and Children.

Centralized Collection of Child Support

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Mr. Hmurovich began by stating that he believes a key component for successful collection of child support is to encourage the non-custodial parent to become emotionally and financially involved with the non-custodial parent's children. This involvement leads to timely payment of a child support obligation.

Mr. Hmurovich talked about the success of child support collection over the past nine years. (See Exhibit 1; Page 1). Child support collections for fiscal year 2001 were \$386,590,889. This figure is the highest amount collected during the past nine years. Mr. Hmurovich continued by stating that the next goal is to collect \$500,000,000 per fiscal year. The reasons for the increased collections are two fold: (1) Each county Office of Family and Children has developed a county plan to increase collections. (2) Development and implementation of the Indiana support enforcement tracking system (ISETS).

The county plans described in the above paragraph have led to coordinated efforts between the county O.F.C. and local prosecutors. Mr. Hmurovich cited Vanderburgh County as an example of how this improved coordination has led to increased collections.

ISETS has been operational since 1999. The federal government has issued a conditional certification of the system. Mr. Hmurovich stated that the increase in child support collections can in large part be attributed to ISETS. In connection with ISETS, Mr. Hmurovich gave an overview of three federal laws which set guidelines for states in the collection of child support. The first law requires implementation of a state wide automated system of collection. Indiana has complied with this law by developing and implementing ISETS. The second law mandates states to centrally collect child support at one location. Indiana has been granted an exemption from this law. The exemption allows county clerks to collect child support. The third law requires centralized collection of employee wage withholding. Indiana was not granted an exemption from this law, and as a result employee withholdings go to the Division of Family and Children. Mr. Hmurovich referred to the top of page three of his handout for statistics on collections made via employer outreach.

Reference was also made to page five of the handout regarding the cost effectiveness of Indiana child support collections. Indiana collects \$7.69 for every \$1.00 spent to administer the child support enforcement program. The national average is \$4.21 for every dollar. Mr. Hmurovich stated that these figures make Indiana the most efficient state in child support collections.

Sen. Ford asked what the total dollar amount would be if all child support were paid in a year. Mr. Hmurovich replied it would be approximately three billion dollars. Mr. Hmurovich noted that the national average for child support collections is roughly 4%.

Judge Cynthia Ayres asked if the division is aware when a child support obligor leaves a job. Mr. Hmurovich stated that if the obligor is out of work, the division can access information on unemployment insurance and determine what benefits the obligor is receiving. If the obligor has obtained a another job, the employer is required to provide information on the new job. The division can use this information for child support purposes.

Sen. Ford asked about the use of electronic funds transfer for a custodial parent. Mr. Hmurovich stated the technology is available to use electronic funds transfer, however it is infrequently used because many custodial parents do not have bank accounts. Sen. Ford stated that requiring a bank account much like the federal government requires welfare recipients to have an account may be a solution.

Sen. Ford asked about undistributed child support funds. Mr. Hmurovich stated that currently there are 5.3 million dollars in undistributed funds. This was reduced from 7.8 million over that last twelve months. The primary reasons for the undistributed funds are: (1) the transition from a largely paper system to ISETS in which some information was not successfully entered into the new system; and (2) failure of a custodial parent to notify the prosecutor or appropriate authority when the custodial parent relocates.

Karon Perkins asked what the division is doing to address incorrect interception of income tax refunds. Mr. Hmurovich said the division was aware of the problem, and identified two potential sources: (1) the federal agency that maintained information for the purpose of intercepting tax returns has recently changed; and (2) the non custodial parent providing an incorrect social security number. Mr. Hmurovich stated that the problem described under subdivision one has been addressed and is remedied.

Sen. Ford asked Mr. Hmurovich if he or his staff have any suggestions for legislation which could improve collections. Mr. Hmurovich stated that he anticipates a bill being introduced in the next session which will address myriad issues regarding child support collection. It was decided that the bill will be brought before the committee at the next meeting for discussion. Mr. Hmurovich also stated that his division needs additional staff. He explained that the federal government will reimburse 66 cents for every dollar spent, and he hoped this value would provide an incentive for state or local funding.

Judge Ayres stated that one way to consider changing the child support model is to take the onus off the custodial parent when child support payments are not being made by the non-custodial parent. She noted that a custodial parent not working with the IV-D agency must file necessary paperwork to initiate a contempt proceeding in such a case. She stated this may not be the most effective way to collect a support arrearage. Sen. Ford asked Judge Ayres if she uses automatic wage withholding in her court. She responded that she does so in every case. Sen. Ford stated that increased use of automatic wage withholding is one way to address the problem of custodial parents having to return to court to enforce a delinquent support order.

Jeff Bercovitz, Director of Juvenile and Family Law at the Indiana Judicial Center, commented that rethinking the current delinquent support collection model and utilizing administrative procedures may be an approach. He noted that interception of income tax returns is purely administrative. Judge Ayres noted that she recently spoke with a jurist from Australia who explained that in Australia collection is purely administrative, and the collection rate is 75%.

Sen. Ford asked if there was any other business the committee wished to discuss. No further business was raised by the committee. He asked if any persons were interested in attending the family law mediation seminar discussed at the first meeting. No committee members expressed an interest. Sen. Ford asked if committee members had comments or changes to the minutes. No committee member had comments or changes.

Adjournment

Sen. Ford stated the next committee meeting would be October 24, 2001 at 10:00 a.m. Sen. Ford adjourned the meeting at 11:10 a.m.